VOLKSWAGEN
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ANNUAL MEDIA CONFERENCE AND INVESTOR CONFERENCE
2016
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Agenda

1 2015 Review
   Where the Volkswagen Group is today

2 Financial Figures for 2015
   What we have accomplished

3 Outlook
   What we plan for the future
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1. 2015 Review
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“Our operating business is in good shape”
Volkswagen Group: Key figures for 2015 at a glance

**Deliveries (units)**
- 2014: 9.9 million
- 2015: 9.9 million
- Change: -2.0 % on prior year

**Sales revenue**
- 2014: €213.3 billion
- 2015: €213.3 billion
- Change: +5.4 % on prior year

**Operating profit (before special items)**
- 2014: €12.8 billion
- 2015: €12.8 billion
- Change: +1.0 % on prior year
2015 highlights (I): Strong brands, consistent profit drivers

- Sales record in hotly contested premium segment
- New records in deliveries, sales revenue and profit
- Stronger than ever in anniversary year
- Record contribution to Group profit
2015 highlights (II): Strong in Europe, robust in China

Passenger car deliveries to customers

+5.1%

Operating profit attributable to Chinese joint ventures

€5.2 billion

Western Europe

China
2015 highlights (III): Proud tradition, trailblazing innovation

- 40 years of the GTI success story
- 100 years of MAN commercial vehicles
- 120 years of ŠKODA
- 65 years of T-series production

Vehicles:
- Touran
- A4 Saloon
- 911 Carrera
- Superb Combi
- Leon ST Cupra
- Bentayga
- T6 Multivan
- P 280
- TGX D38
2015 highlights (IV): Great commitment by our global workforce
“Volkswagen is far more than crisis.”
Diesel issue: Negative impact masks sound operating performance …

€12.8 billion  €16.9 billion

- €4.1 billion

Operating profit before special items  Special items  Operating profit after special items

of which €16.2 billion from diesel issue
... but the Volkswagen Group has a strong financial basis

Net liquidity in Automotive Division

€ 17.6 billion
€ 24.5 billion

+39.0%

2014* 2015*

* As of December 31, 2015
## Our 5 priorities: Focus on crisis management and realignment

### Customer solutions
- Implementation of technical solutions launched in Germany
- Schedule for further refits in Europe to be adapted in consultation with authorities
- Agreement in principle reached with U.S. authorities

### Investigation
- Process audit by Group Audit already completed at 2015 year-end, proposed measures being rapidly implemented
- Detailed investigation of facts by Jones Day ongoing

### Structure
- New management team in place
- Intensive work on new structures and leaner processes

### Mindset
- Numerous individual changes made to renew corporate and leadership culture
- Structured change process initiated

### Destination
- Development of “Strategy 2025” proceeding to plan
- Priorities and objectives to be presented mid-year as announced
“We are making gradual progress in dealing with the diesel issue. And we are repositioning ourselves for the future”
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### Fiscal year 2016: Sound start to the year despite the diesel issue*

**Vehicle deliveries to customers**

<table>
<thead>
<tr>
<th></th>
<th>January – March 2016</th>
<th>y-o-y in %</th>
</tr>
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<tbody>
<tr>
<td>Volkswagen Passenger Cars</td>
<td>1,459,500</td>
<td>-1.3</td>
</tr>
<tr>
<td>Audi</td>
<td>455,800</td>
<td>+4.0</td>
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<td>SEAT</td>
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<tr>
<td>Porsche</td>
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</tr>
<tr>
<td>Volkswagen Commercial Vehicles</td>
<td>113,100</td>
<td>+4.3</td>
</tr>
<tr>
<td>MAN</td>
<td>23,400</td>
<td>+6.3</td>
</tr>
<tr>
<td>Scania</td>
<td>18,400</td>
<td>+5.4</td>
</tr>
<tr>
<td><strong>World</strong></td>
<td><strong>2,508,300</strong></td>
<td><strong>+0.8</strong></td>
</tr>
</tbody>
</table>

*Publication of financials for Q1/2016 on May 31, 2016*
Fiscal year 2016: Volkswagen Group outlook

- **Deliveries to customers**: stable at high level
- **Sales revenue**: up to 5% below prior year
- **Operating return on sales**: between 5.0% and 6.0%
“Volkswagen once again expects a solid operating business in fiscal year 2016”
Fiscal year 2016: Plenty in the pipeline – around 60 vehicle launches planned
“2016 will be a year of transition in which we will set the stage for the future of Volkswagen”
Transformation of the automotive industry: Our starting situation

**Strengths**
- Fascinating brands
- Great technological expertise and innovative strength
- Global presence
- Stringent focus on quality
- Dedicated workforce
- Strong customer confidence
- Sound finances

**Room for improvement**
- Structure
- Mindset
- Strategy
“We are making the Group more efficient and faster, more entrepreneurial, more sustainable and technologically more progressive”
More efficient and faster: New series organization – Example: Volkswagen brand

- Nurtures big-picture entrepreneurial vision and results focus
- Makes for significantly faster, shorter decision-making processes
- Promotes teamwork and avoids silo mentality
- Improves overall process, especially at interfaces
More sustainable: New values as foundation of success

Systematic change process launched

- Definition of Group values **shared and practiced by the Group and all brands**
- **Lasting commitment to integrity** as the basis for joint action
- Derive **code of working practices**
- Conserving cultural **diversity of brands**

Sustainability Council decided

Focus areas:
- Social responsibility & integrity
- Sustainable mobility & climate protection
- Future of work & digitalization
Technologically more progressive: Volkswagen Group Future Centers

Idea
Designers and digitalization experts work hand in hand on vehicle of the future

Aims
Groundbreaking innovations:
- Customer experience
- Interface design and user friendliness
- New interior concepts
- Integrating infotainment and entertainment systems
Technologically more progressive: Digital collaboration examples
Technologically more progressive: Mobility services campaign

- Car sharing
- Robotaxi
- Traffic management
- Mobility on demand
- Car rental
- Smart data
- Efficiency services
- Convenience services

Added value for our customers thanks to software-based solutions and mobility-related services

Partnerships and strategic investments planned

Launch of independent, Group-wide mobility organization
Technologically more progressive: Focus on innovative e-mobility solutions
Technologically more progressive: Heavy Truck platooning
We are working on the key trends in our industry...

- Digitalization
- Connectivity
- Sustainability
- Smart mobility
- E-mobility
- Autonomous driving

Strategy 2025
... and will deliver our new strategy mid-2016

Strategy process in five stages

1. Initiation phase
   - Group roadmap
   - Brand roadmap

2. Communications
3. Implementation & Control
4. Review & Revision

Content development in three strands

1. Group initiatives
2. Brand strategies
3. Functional strategies

- Erarbeitung der Inhalte in drei Arbeitssträngen
- Content development in three strands
- internal and external communications mid-2016
“Together, we will create a new Volkswagen and play a key role in designing the mobility world of tomorrow.”
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